



Managing Your Savings

NBP Fund Management Limited



NBP FINANCIAL SECTOR FUND

QUARTERLY REPORT
MARCH 31, 2025

AM1
Rated by PACRA

MISSION STATEMENT

"To become country's most
investor-focused company,
by assisting investors
in achieving their financial goals."

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FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Saad Amanullah Khan	Director
Mr. Faisal Ahmed	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Zaheer Iqbal

Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member

Human Resource & Remuneration Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Faisal Ahmed	Member

Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Faisal Ahmed	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Khalid Mansoor	Member

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B" S.M.C.H.S.,
Main Shakra-e-Faisal, Karachi.

Bankers to the Fund

MCB Bank Limited
JS Bank Limited
Meezan Bank Limited
Habib Bank Limited
United Bank Limited
Bank Al Habib Limited
Allied Bank Limited
Bankislami Pakistan Limited
National Bank of Pakistan

Auditors

A.F. Ferguson & Co. Chartered Accountants
State Life Building No. 1-C
I.I. Chundrigar Road,
P.O.Box 4716
Karachi.

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.nbpfunds.com

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Fax: 051-4859031

Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

Khan Center, 1st Floor,
Abdali Road, Multan.
Phone No. : 061-4540301-6, 061-4588661-2&4

DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited financial statements of **NBP Financial Sector Fund (NFSF)** for the period ended March 31, 2025.

Fund's Performance

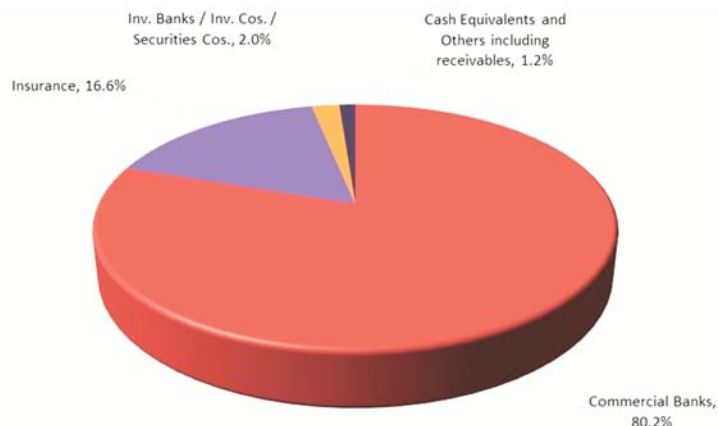
The stock market maintained strong momentum during 9MFY25, building on the stellar performance of FY24. The KSE-100 Index surged by 50%, surpassing the historic milestone of 100,000 points for the first time and closing the period at around 118,000.

Market sentiment was buoyed by the signing of a Staff Level Agreement (SLA) in July 2024 for a USD 7 billion Extended Fund Facility (EFF) between Pakistan and the IMF. Improved macroeconomic indicators further bolstered investor confidence, leading to a one-notch upgrade in Pakistan's Long-Term Foreign-Currency Issuer Default Rating by both Fitch Ratings and Moody's. Inflation fell sharply, averaging 5.25% during the period, with March 2024 recording a historic low of 0.7%. This facilitated an aggressive monetary easing cycle, with the central bank slashing the policy rate by 850 basis points to 12% during 9MFY25. Yields on government securities declined significantly-short-term paper yields dropped by 6.7% to 8.1%, while long-term paper yields fell by 2% to 5%. External accounts also showed notable improvement. Pakistan recorded a current account surplus of USD 1.9 billion in 9MFY25, driven by a 33% YoY surge in remittances. The SBP proactively purchased approximately USD 5 billion from the interbank FX market during July-December, increasing FX reserves by USD 1.3 billion. Additionally, the World Bank approved Pakistan's first-ever 10-year Country Partnership Framework (CPF), pledging around USD 20 billion-the largest commitment in the country's history. Towards the end of the period, both local and global equity markets experienced increased volatility, triggered by geopolitical development and macroeconomic uncertainty. A key driver was the U.S. President's announcement of new trade tariffs, which sparked a global sell-off in risk assets.

In terms of sector-wise performance, Cable & Elec. Goods, Cements, Fertilizers, Investments Banks/Companies, Miscellaneous, Oil & Gas Exploration, Oil & Gas Marketing Companies, Pharmaceutical, Refinery, Sugar, and Transport sectors outperformed the market. Meanwhile, Auto Assemblers, Auto Parts & Accessories, Chemicals, Commercial Banks, Engineering, Food & Personal Care, Glass & Ceramics, Insurance, Leather & Tanneries, Paper & Board, Power Generation & Distribution, Technology & Communication, Textile Composite, and Tobacco sectors lagged the market. Regarding participants' market activity, Mutual Funds emerged as the single largest buyers with net inflows to the tune of USD 227 million, whereas Companies and Individuals were also net buyers with inflows amounting to USD 56 mn and USD 38 mn, respectively (net of debt market). Conversely, Foreign investors trimmed their net holdings by around USD 242 million due to an Index downgrade by FTSE from Emerging Market status to Frontier Market status for Pakistan, which entailed an outsized foreign outflow during the period under review.

The size of NBP Financial Sector Fund has decreased from Rs. 243 million to Rs 201 million during the period, i.e., a decrease of 17.2%. During the period, the unit price of NBP Financial Sector Fund (NFSF) has risen from Rs 13.4973 on June 30, 2024 to Rs. 18.5894 on March 31, 2025, thus showing an increase of 37.7%. The Benchmark for the same period was increased by 54.6%. Thus, the Fund has underperformed its Benchmark by 16.9% during the period under review. Since inception, the unit price of NBP Financial Sector Fund has increased from Rs. 6.9869 (Ex-Div) on February 14, 2018 to Rs. 18.5894 on March 31, 2025, thus showing an increase of 166.1%. The Benchmark for the same period was increased by 204.7%. Thus, the Fund has underperformed its Benchmark by 38.6% during the period under review. This performance is net of management fee and all other expenses.

NBP Financial Sector Fund has earned a total income of Rs. 83.76 million during the period. After deducting total expenses of Rs. 6.92 million, the net income is Rs. 76.84 million. The asset allocation of the Fund as on March 31, 2025 is as follows:



NFSF Performance versus Benchmark



Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of
NBP Fund Management Limited

Chief Executive Officer

Director

Date: **April 30, 2025**
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2025ء کو ختم ہونے والی نو ماہی کے لئے NBP فنانسینشل سیکٹرز فنڈ (NFSF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

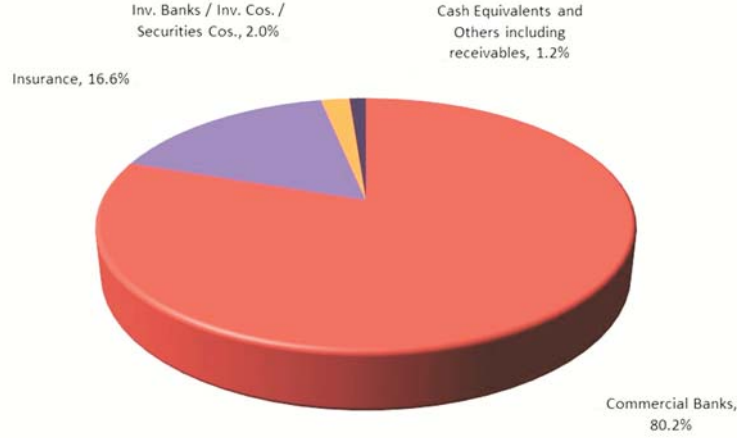
مالی سال 2025ء کی نو ماہی کے دوران شاگ مارکیٹ میں زبردست تیزی برقرار رہی جس سے مالی سال 24 کی شاندار کارکردگی میں اضافہ ہوا۔ KSE-100 انڈیکس میں 50 فیصد اضافہ ہوا اور یہ پہلی بار 100,000 پوائنٹس کا تاریخی سنگ میل عبور کرتے ہوئے 118,000 پوائنٹس پر بند ہوا۔

جولائی 2024 میں پاکستان اور آئی ایم ایف کے درمیان 7 بلین ڈالر کی توسیعی فنڈ سہولت (ای ایف ایف) کے لئے اسٹاف لیول معاہدہ (ایس ایل اے) پر دستخط کے بعد مارکیٹ کے جذبات کو تقویت ملی۔ میکرو اکنامک اشاریوں میں بہتری سے سرمایہ کاروں کے اعتماد میں مزید اضافہ ہوا ہے جس کے نتیجے میں دونوں فٹ ریٹینو اور موڈیز کی جانب سے پاکستان کی طویل مدتی فارن کرنسی جاری کنندگان کی ڈیفالٹ ریٹنگ میں ایک درجہ کی بہتری آئی ہے۔ اس عرصے کے دوران افراط زر کی شرح میں اوسطاً 5.25 فیصد، تیزی سے کمی واقع ہوئی، مارچ 2024 میں 0.7 فیصد کی تاریخی کم ترین سطح ریکارڈ کی گئی۔ اس سے ایک جارحانہ مانیٹری نرمی کے سائیکل کو آسان بنا گیا، مرکزی بینک نے مالی سال 25 کی نو ماہی کے دوران پالیسی ریٹ کو 850 basis پوائنٹس کم کر کے 12 فیصد کر دیا۔ گورنمنٹ سیکورٹیز پر شرح منافع میں نمایاں کمی واقع ہوئی۔ قلیل مدتی پیپر پر شرح منافع 6.7 فیصد کم ہو کر 8.1 فیصد ہو گیا، جبکہ طویل مدتی پیپر پر شرح منافع 2 فیصد سے 5 فیصد تک گر گیا۔ بیرونی کھاتوں میں بھی نمایاں بہتری دیکھی گئی۔ مالی سال 2025ء کی نو ماہی میں پاکستان کا کرنٹ اکاؤنٹ سرپلس 1.9 بلین ڈالر رہا جس کی وجہ تریسیلات زریں سال پہ سال 33 فیصد اضافہ ہے۔ اسٹیٹ بینک پاکستان نے جولائی تا دسمبر انٹرنیشنل بینک ایف ایکس مارکیٹ سے تقریباً 5 بلین ڈالر کی خریداری کی جس سے زرمبادلہ کے ذخائر میں 1.3 بلین ڈالر کا اضافہ ہوا۔ مزید برآں، عالمی بینک نے پاکستان کے سہیلے 10 سالہ کنٹری پائرمینٹ فریم ورک (سی پی ایف) کی منظوری دی، جس میں تقریباً 20 بلین ڈالر کا وعدہ کیا گیا ہے جو ملک کی تاریخ کا سب سے بڑا وعدہ ہے۔ اس مدت کے اختتام پر، دونوں مقامی اور عالمی ایکویٹی مارکیٹوں کو جغرافیائی سیاسی ترقی اور میکرو اکنامک غیر یقینی صورتحال کی وجہ سے بڑھتے ہوئے اتار چڑھاؤ کا سامنا کرنا پڑا۔ ایک اہم محرک امریکی صدر کی جانب سے نئے تجارتی ٹیرف کا اعلان تھا، جس نے خطرے والے اثاثوں میں عالمی سطح پر فروخت کو جنم دیا۔

سیکٹرز اور کارکردگی کے لحاظ سے کیبل اینڈ ایکسٹراکٹ ایشیا، سیمنٹ، فریٹ لائزرز، انویسٹمنٹ بینکنگ، کونینز، متفرق، آئل اینڈ گیس ایکسپلوریشن، آئل اینڈ گیس مارکیٹنگ کمپنیاں، فارماسیوٹیکل، ریٹیل، شوگر اور ٹرانسپورٹ کے شعبوں نے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ جبکہ آٹو اسمبلرز، آٹو پارٹس اینڈ ایکسیسریز، کیمیکلز، کمرشل بینکنگ، انجینئرنگ، فوڈ اینڈ پراسیسنگ، گلاس اینڈ سیرامکس، انشورنس، لیڈر اینڈ ٹیٹری، پیپر اینڈ بورڈ، پاور جنریشن اینڈ ڈسٹری بیوشن، ٹیکسٹائل اینڈ کونٹیکسٹ، ٹیکسٹائل کمپوزٹ اور تہا کو کے شعبوں میں مندی رہی۔ شرکاء کی مارکیٹ سرگرمیوں کے حوالے سے میچل فنڈز 227 ملین ڈالر کے خالص بہاؤ کے ساتھ واحد سب سے اہم خریدار کے طور پر ابھرے، جبکہ کمپنیاں اور افراد بھی بالترتیب 56 ملین ڈالر اور 38 ملین ڈالر (خالص ڈیٹ مارکیٹ) کے ساتھ خالص خریدار تھے۔ اس کے برعکس غیر ملکی سرمایہ کاروں نے ایف ٹی ایس ای کی جانب سے ایمرجنگ مارکیٹ کی حیثیت سے پاکستان کے لیے فرٹینئر مارکیٹ کا درجہ حاصل کرنے کی وجہ سے اپنے خالص حصص میں تقریباً 242 ملین ڈالر کی کمی کی، جس میں زیر جائزہ مدت کے دوران غیر ملکی اخراجات میں اضافہ ہوا۔

NBP فنانسینشل سیکٹرز فنڈ کا سائز اس مدت کے دوران 243 ملین روپے سے کم ہو کر 201 ملین روپے ہو گیا، یعنی 17.2% کا اضافہ ہوا۔ اس مدت کے دوران، NBP فنانسینشل سیکٹرز فنڈ (NFSF) کے یونٹ کی قیمت 30 جون 2024 کو 13.4973 روپے سے بڑھ کر 31 مارچ 2025 کو 18.5894 روپے ہو چکی ہے، لہذا 37.7% کا اضافہ ظاہر کیا۔ اسی مدت کے دوران سچ مارک میں 54.6% کا اضافہ ہوا۔ لہذا فنڈ نے زیر جائزہ مدت کے دوران اپنے سچ مارک سے 16.9% بہتر کارکردگی دکھائی۔ اپنے قیام 14 فروری 2018 سے اب تک فنڈ کے یونٹ کی قیمت (Ex-Div) 6.9869 روپے سے بڑھ کر 31 مارچ 2025 کو 18.5894 روپے ہو گئی، لہذا 166.1% کا اضافہ ہوا ہے۔ اسی مدت کے لئے سچ مارک میں 204.7% کا اضافہ ہوا۔ لہذا، زیر جائزہ مدت کے دوران فنڈ کی کارکردگی اپنے سچ مارک سے 38.6% برتری۔ یہ کارکردگی منیجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NBP فنانسینشل سیکٹرز فنڈ نے موجودہ مدت کے دوران 83.76 ملین روپے کی مجموعی آمدنی کمائی۔ 6.92 ملین روپے کے مجموعی اخراجات منہا کرنے کے بعد خالص آمدنی 76.84 ملین روپے ہے۔ 31 مارچ 2025 کے مطابق فنڈ کی ایسٹ ایبلویشن حسب ذیل ہے:



NBSF کی کارکردگی بمقابلہ بیچ مارک



اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ اینڈاؤٹ کیٹیج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔
بورڈ اپنے اسٹاف اور ٹرسٹی کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز
NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر
تاریخ: 30 اپریل 2025ء
مقام: کراچی

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2025

	Un-Audited March 31, 2025	Audited June 30, 2024
Note	----- Rupees in '000 -----	
ASSETS		
Balances with banks	1,519	27,925
Investments	198,520	229,671
Profit and Dividend receivable	4,829	290
Advances, deposits and other receivables	2,958	2,948
Receivable against sale of units	-	10
Receivable against sale of investment	-	-
Total Assets	207,826	260,844
LIABILITIES		
Payable to the Management Company	1,673	2,056
Payable to Central Depository Company of Pakistan Limited - Trustee	40	41
Payable to Securities and Exchange Commission of Pakistan	16	17
Payable against purchase of investments	-	10,015
Payable against redemption of units	4,170	740
Accrued expenses and other liabilities	1,005	5,272
Total Liabilities	6,904	18,141
NET ASSETS	200,922	242,703
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)	200,922	242,703
Number of units in issue	10,808,345	17,981,593
CONTINGENCIES AND COMMITMENTS	5	
NET ASSET VALUE PER UNIT	18.5894	13.4973

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2025

	Nine Months Ended		Quarter Ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Note -----(Rupees in '000)-----				
INCOME				
Net gain on sale of investments	41,711	39,673	7,245	21,675
Dividend Income	23,011	24,252	7,487	15,052
Profit on bank deposits	1,552	1,618	314	896
Net unrealised appreciation / (diminution) on re-measurement as 'financial assets at fair value through profit or loss'	17,490	20,651	(9,810)	(9,636)
Total income / (loss)	83,764	86,194	5,236	27,987
EXPENSES				
Remuneration of Management Company	3,068	1,743	795	880
Sindh sales tax on remuneration of the Management Company	460	227	119	115
Remuneration of Trustee	409	233	106	118
Sindh Sales Tax on remuneration of the Trustee	61	30	16	15
Annual fee - Securities and Exchange Commission of Pakistan	194	110	50	55
Securities transaction cost	1,439	1,004	141	635
Printing charges	14	36	5	5
Annual listing fee	22	21	7	7
Auditors' remuneration	622	871	221	146
Settlement and bank charges	527	470	161	149
Legal & Professional charges	110	170	36	36
Total Expenses	6,926	4,915	1,657	2,161
Net income for the period before taxation	76,838	81,279	3,579	25,826
Taxation	6	-	-	-
Net income for the period after taxation	76,838	81,279	3,579	25,826
Allocation of net income for the period:				
Net income for the period after taxation	76,838	81,279		
Income already paid on units redeemed	(37,010)	(33,563)		
	39,828	47,716		
Accounting income available for distribution:				
-Relating to capital gains	39,828	47,716		
-Excluding capital gains	-	-		
	39,828	47,716		

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2025

	Nine Months Ended		Quarter Ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	------(Rupees in '000)-----			
Net income for the period after taxation	76,838	81,279	3,579	25,826
Other Comprehensive Income	-	-	-	-
Total comprehensive income for the period	76,838	81,279	3,579	25,826

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025

	For the nine months period ended March 31, 2025			For the nine months period ended March 31, 2024		
	Rupees in '000			Rupees in '000		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
Net assets at beginning of the period	490,256	(247,553)	242,703	378,749	(285,838)	92,912
Issue of 40,366,070 units (2024: 29,523,361 units)						
- Capital value (at net asset value per unit at the beginning of the period)	544,833	-	544,833	229,990	-	229,990
- Element of income / (loss)	112,044	-	112,044	171,162	-	171,162
Total proceeds on issuance of units	656,877	-	656,877	401,152	-	401,152
Redemption of 47,539,318 units (2024: 29,222,023 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(641,653)	-	(641,653)	(227,642)	-	(227,642)
- Element of (loss) / income	(96,833)	(37,010)	(133,843)	(126,456)	(33,563)	(160,019)
Total payments on redemption of units	(738,486)	(37,010)	(775,496)	(354,098)	(33,563)	(387,661)
Total comprehensive income for the period	-	76,838	76,838	-	81,279	81,279
Net assets at end of the period	408,647	(207,725)	200,922	425,803	(238,122)	187,682
Undistributed (loss) brought forward						
- Realised (loss)		(286,306)			(269,887)	
- Unrealised (loss)		38,753			(15,951)	
		(247,553)			(285,838)	
Accounting income available for distribution						
- Relating to capital gains		39,828			47,716	
- Excluding capital gains		-			-	
		39,828			47,716	
Net (loss) for the period after taxation		-			-	
Undistributed (loss) carried forward		(207,725)			(238,122)	
Undistributed (loss) carried forward						
- Realised (loss)		(225,215)			(258,773)	
- Unrealised gain / (loss)		17,490			20,651	
		(207,725)			(238,122)	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			13.4973			7.7901
Net assets value per unit at end of the period			18.5894			15.3481

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025

	Nine Months Ended	
	March 31, 2025	March 31, 2024
------(Rupees in '000)-----		
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period before taxation	76,838	81,279
Adjustments		
Net unrealised (appreciation) on re-measurement as 'financial assets at fair value through profit or loss'	(17,490)	(20,651)
	<u>59,348</u>	<u>60,628</u>
Decrease / (Increase) in assets		
Investments	48,641	(64,204)
Profit and Dividend receivable	(4,539)	(9,106)
Receivable against sale of investments	-	(51,594)
Advances, deposits and other receivables	(10)	(10)
	<u>44,092</u>	<u>(124,914)</u>
(Decrease) / Increase in liabilities		
Payable to the Management Company	(383)	(199)
Payable to the Trustee	(1)	17
Payable to the Securities and Exchange Commission of Pakistan	(1)	(42)
Payable against purchase of investments	(10,015)	-
Accrued expenses and other liabilities	(4,267)	630
	<u>(14,667)</u>	<u>406</u>
Net cash generated from / (used in) operating activities	<u>88,773</u>	<u>(63,880)</u>
Net receipts from issue of units	656,887	403,758
Net payments on redemption of units	(772,066)	(338,989)
Net cash (used in) from financing activities	<u>(115,179)</u>	<u>64,769</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>(26,406)</u>	<u>889</u>
Cash and cash equivalents at the beginning of the period	27,925	5,199
Cash and cash equivalents at the end of the period	<u><u>1,519</u></u>	<u><u>6,088</u></u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Financial Sector Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on January 10, 2018 between NBP Fund Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund. The units are listed on the Pakistan Stock Exchange.

The Fund is categorized as an Open-End "Financial Sector Equity Scheme" as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorization of Collective Investment Schemes (CIS).

During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

The objective of NBP Financial Sector Fund is to provide investors with long term capital growth from an actively managed portfolio of listed equities belonging to the Financial Sector. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency (PACRA) has assigned an Asset Manager Rating of AM 1 to the Management Company. The Fund has not yet been rated.

The duration of the Fund is perpetual. However, SECP or the Management Company may wind it up on the occurrence of certain events as specified in the offering document of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2024.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2025.

These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2024.

The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2024. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2024.

		(Un-Audited)	(Audited)
		March 31,	June 30,
		2025	2024
		-- (Rupees in '000) --	
4 INVESTMENTS	Note		
Financial assets at fair value through			
- Listed equity securities	4.1	<u>198,520</u>	<u>229,671</u>

4.1 Investments in shares of listed companies at fair value through profit or loss

Name of the investee company	As at July 1, 2024	Purchases during the period	Bonus / right shares	Sales during the period	As at March 31, 2025	Investment as a percentage of			
						Market Value as at March 31, 2025	Market value as a percentage of net assets	Market value as a percentage of total investment	Paid up capital of investee company held
					(Rupees in '000) ----- % -----				
COMMERCIAL BANKS									
Allied Bank Limited	109,253	187,418	-	193,400	103,271	13,849	6.89	6.98	0.01
Askari Bank Limited	649,625	1,350,600	-	1,328,000	672,225	26,257	13.07	13.23	0.05
Bank Al-Falah Limited	479,823	522,000	-	731,500	270,323	19,769	9.84	9.96	0.02
Bank Al-Habib Limited	210,200	182,058	-	294,800	97,458	13,864	6.90	6.98	0.01
Bank Of Punjab Limited	13,219	807,000	-	559,500	260,719	2,821	1.40	1.42	0.01
Faysal Bank Limited	332,175	87,500	-	381,300	38,375	1,844	0.92	0.93	0.00
Habib Bank Limited	204,884	182,200	-	308,200	78,884	12,053	6.00	6.07	0.01
Habib Metropolitan Bank Limited	149,900	117,000	-	205,500	61,400	5,525	2.75	2.78	0.01
MCB Bank Limited	154,101	187,203	-	248,063	93,241	26,169	13.02	13.18	0.01
National Bank Of Pakistan	314,600	236,000	-	426,800	123,800	9,445	4.70	4.76	0.01
United Bank Limited	18,659	94,400	-	83,800	29,259	12,022	5.98	6.06	0.00
Meezan Bank Limited	85,772	135,100	-	150,400	70,472	17,435	8.68	8.78	0.00
Soneri Bank Limited	212,000	572,000	-	783,100	900	15	0.01	0.01	0.00
	2,934,211	4,660,479	-	5,694,363	1,900,327	161,067	80.16	81.13	
INSURANCE									
Adamjee Insurance Company Limited	106,000	347,600	-	218,500	235,100	10,953	5.45	5.52	0.07
IGI Holdings Limited	121,200	65,100	-	109,500	76,800	12,229	6.09	6.16	0.05
Pakistan Reinsurance Company Limited	-	627,000	-	192,000	435,000	6,851	3.41	3.45	0.05
Jubilee General Insurance Limited	-	99,500	-	39,500	60,000	3,274	1.63	1.65	0.03
	227,200	1,139,200	-	559,500	806,900	33,308	16.58	16.78	
INV. BANKS / INV. COS. / SECURITIES COS.									
Pakistan Stock Exchange Limited	-	405,000	-	240,500	164,500	4,145	2.06	2.09	0.02
					2,871,727	198,520	99	100	
Carrying value as at March 31, 2025						181,030			

4.2 Investments include shares with market value of Rs 30.927 (June 30, 2024: Rs 41.678) million which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the SECP.

5 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2025 and June 30, 2024.

6 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders as cash

dividend. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2025 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

7 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 3.39% (March 31, 2024: 4.23%) which includes 0.44% (March 31, 2024: 0.32%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "equity" scheme.

8 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

8.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company, retirement funds of group companies, directors and officers of the Management Company and any person or company which beneficially owns directly or indirectly 10% or more of the units in issue / net assets of the Fund.

8.2 The transactions with connected persons / related parties are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

8.3 Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

8.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

8.5 **Details of the transactions with connected persons are as follows:**

	-----Unaudited -----	
	Nine months ended	
	March 31, 2025	March 31, 2024
	----- (Rupees in '000) -----	

NBP Fund Management Limited - Management Company

Remuneration of the Management Company	3,068	1,743
Sindh sales tax on remuneration of the Management Company	460	227
Sale load and transfer load during the period	1,181	575
Sindh sales tax on sales load and transfer load	177	75
ADC share including SST	29	7

Central Depository Company of Pakistan Limited - Trustee

Remuneration	409	233
Sindh Sales Tax on remuneration of Trustee	61	30

	-----Unaudited -----	
	Nine months ended	
	March 31, 2025	March 31, 2024
	----- (Rupees in '000) -----	
Employees of the Management Company		
Units issued / transferred In 5,860,734 (2024: 5,728,040)	92,358	72,600
Units redeemed / transferred out 6,511,393 (2024: 5,297,033)	103,636	66,958
Dividend Re-invest Units Issued: 852 units (2024: Nil)	16	-
Portfolios Managed by Management Company		
Units issued / transferred In 616,188 (2024: 616,188)	8,145	8,145
Units redeemed / transferred out 616,188 (2024: 616,188)	8,821	8,821
Dividend Re-invest Units Issued: 153 units (2024: Nil)	3	-
Taurus Securities Limited (Subsidiary of Parent)		
Brokerage	95	50
National Bank of Pakistan (Parent Company)		
Shares purchased: 236,000 (2024: 435,000)	14,792	15,410
Shares sold: 426,800 (2024: 130,000)	29,081	4,416
Profit on bank deposits	6	-
Dividend Income	990	-
** Mahmud Yar Hiraj - Units holder with more than 10% holding		
Dividend re-invest: 1,786 units (2024: Nil)	33	-
** Forman Christian College- unit holder with more than 10% holding		
Dividend re-invest: 1,678 units (2024: Nil)	31	-
** Hommie & Jamshed Nusserwanjee Charitable Trust - unit holder with more than 10% holding		
Dividend re-invest: 2,175 units (2024: Nil)	40	-
	Un-audited	Audited
	March 31,	June 30,
	2025	2024
	----- (Rupees in '000) -----	
8.6 Amounts outstanding as at period end		
NBP Fund Management Limited - Management Company		
Remuneration payable to the Management Company	260	282
Sindh Sales Tax on remuneration of Management Company	39	35
Reimbursement of Selling and marketing expenses	-	-
Sales load and transfer load payable	1,181	1,539
Sindh Sales Tax payable on sales load and transfer load	179	200
ADC shares including SST	14	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	35	36
Sindh Sales Tax on remuneration	5	5
Security deposit	100	100

	Un-audited March 31, 2025 ----- (Rupees in '000) -----	Audited June 30, 2024 -----
Employees of the Management Company Units held: 85,106 (2024: 734,912 units)	1,582	9,919
Portfolios Managed by Management Company Units held: 153 units (June 30, 2024: Nil)	2	-
National Bank of Pakistan - Parent Company Shares held - 123,800 (2024: 314,600)	9,445	11,687
Bank balances	727	99
Dividend receivable	107	83
** Hommie & Jamshed Nusserwanjee Charitable Trust - unit holder with more than 10% holding Units held: 1,367,560 units (2024: Nil)	25,422	-
** Mahmud Yar Hiraj - Units holder with more than 10% holding Units held: 1,667,729 (2024: Nil)	31,002	-
** Forman Christian College- unit holder with more than 10% holding Units held: 1,543,107 (2024: Nil units)	28,685	-

* Current balances with these parties have not been disclosed as they did not remain connected persons and related parties during the period.

** Comparative transactions with these parties have not been disclosed as these parties were not related in last year.

9 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing at the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

9.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

10 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on April 30, 2025.

11 GENERAL

11.1 Figures have been rounded off to the nearest thousand rupees.

11.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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